

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6466

BILL NUMBER: HB 1219

DATE PREPARED: Nov 20, 2001

BILL AMENDED:

SUBJECT: Sales Tax Collection by Small Vendors.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a person who sells tangible property as part of a hobby is not selling at retail and is not liable for collecting the state Gross Retail Tax on sales.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues: This bill exempts infrequent sales that generate minimal income from the state Sales Tax, as determined by the Department of State Revenue. Any impact on state revenue is expected to be negligible.

Gross Retail (Sales) and Use taxes are deposited in the State General Fund (59.03%), the Property Tax Replacement Fund (40%), the Public Mass Transportation Fund (0.76%), the Commuter Rail Service Fund (0.17%), and the Industrial Rail Service Fund (0.04%).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: Jim Mundt, Department of State Revenue, 232-8022.